



United States
Department of
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Foreign
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Service

FACT SHEET

U.S.-Colombia Trade Promotion Agreement Virginia Farmers Will Benefit

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The U.S.-Colombia Trade Promotion Agreement (CTPA) provides increased access for Virginia's agricultural exports by making agricultural trade a two-way street and leveling the playing field with respect to third country competitors in the Colombian market. Already our largest market in South America, Colombia now holds even greater potential because it has agreed to immediately eliminate duties on 53 percent of current U.S. trade upon implementation of the agreement. The American Farm Bureau and over 40 other agricultural industry and farm groups strongly support the agreement by stating "the agreement will provide U.S. products exported to Colombia with the same duty-free access already granted to Colombian products exported to the U.S."

Exports of farm products boost Virginia's farm prices and income. Such exports support about 7,000 jobs both on and off the farm in food processing, storage, and transportation. Agricultural exports amounted to \$588 million and made an important contribution to Virginia's farm cash receipts in 2006 that totaled \$2.7 billion.

Poultry. Poultry meat exports to Colombia surpassed \$11.6 million in 2007. Virginia broilers account for the state's second largest agricultural export and its largest source of cash receipts. Virginia poultry producers and processors will benefit from the CTPA.

- U.S. poultry producers currently face a system of variable levies (price band system) that result in tariffs as high as the World Trade Organization (WTO) ceiling of 209 percent. Upon implementation of the CTPA, Colombia will immediately eliminate the price band system on U.S. imports.
- Colombia will provide immediate duty-free access on chicken leg quarters, which currently face a 20-percent duty (209 percent allowed by the WTO), through a 27,040-ton tariff-rate quota (TRQ) that expands by 4 percent, compounded annually. Colombia will phase out the 164.4-percent over-quota tariff for fresh, chilled and frozen leg quarters and 70-percent over-quota tariff for processed leg quarters over 18 years with no reductions during the first 6 years of the agreement.
- Colombia will also provide a 412-ton TRQ that expands 3 percent, compounded annually, for "spent fowl." Colombia will phase out the 45-percent over-quota tariff for "spent fowl" over 18 years.

- Colombia will immediately phase out duties on poultry products such as wings and breast meat.
- Tariffs on turkey products will be phased out over 5 years.
- Colombia will immediately eliminate duties on live chicks and hatching eggs and will phase out duties on eggs for consumption over 10 years.
- Colombia agreed to continue to recognize the equivalence of the U.S. meat inspection and certification system to its own system.
- *The National Chicken Council, USA Poultry and Egg Export Council, National Turkey Federation, United Egg Association, United Egg Producers, and Pet Food Institute publicly support the CTPA.*

Beef. In 2007, the United States exported \$386,000 of beef and beef products to Colombia. As the second largest source of farm cash receipts and third largest agricultural export, Virginia's ranchers and beef industry will benefit from the CTPA.

- Colombia will immediately eliminate its 80-percent duty (108 percent allowed by the WTO) on beef products most important to the U.S. beef industry—prime and choice cuts.
- U.S. exporters of standard quality beef cuts will enjoy immediate duty-free access through a 2,100-ton TRQ. The TRQ will grow by 5 percent, compounded annually. Colombia will phase out the 80-percent out-of-quota tariff over 10 years after a 37.5-percent cut at the beginning of the first year of implementation.
- U.S. exporters of variety meats (offals) will immediately receive duty-free access under a 4,642-ton TRQ that will grow 5.5-percent, compounded annually. The 80-percent over-quota tariff will be phased out over 10 years.
- Colombia agreed to continue to recognize the equivalence of the U.S. meat inspection and certification system to its own system.
- Colombian exporters of beef to the United States will receive duty-free access under a 5,250-ton TRQ that will grow 5 percent, compounded annually. The United States will phase out its beef tariffs over 10 years. For those beef lines that are already duty free under the Andean Trade Promotion and Drug Eradication Act (ATPDEA), the CTPA will continue the duty-free treatment.
- *The American Meat Institute; National Cattlemen's Beef Association; U.S. Hide, Skin and Leather Association; U.S. Livestock Genetics Export, Inc.; and Pet Food Institute publicly support the CTPA.*

Wheat and Barley. In 2007, the United States exported \$210 million of wheat and barley to Colombia. Wheat is Virginia's largest source of agricultural exports.

- U.S. wheat and barely producers currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 248 percent. Colombia will immediately eliminate the price band system on imports from the United States.
- Colombia will immediately eliminate all tariffs on wheat and wheat products, which currently face duties ranging from 5–20 percent.
- Colombia will immediately eliminate all tariffs on barley and barley products, except feed barley. Tariffs on feed barley will be eliminated in 2009.
- *The National Association of Wheat Growers, the National Grain and Feed Association, the North American Export Grain Association, the North American*

Millers' Association, the National Barley Growers Association, U.S. Wheat Associates, and the American Bakers Association publicly support the CTPA.

Dairy. U.S. dairy exports to Colombia surpassed \$6.6 million in 2007, and changes with the CTPA will provide immediate opportunities for U.S. dairy producers. Virginia dairy producers generate the state's third largest source of farm cash receipts.

- U.S. dairy producers currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 159 percent. Colombia will immediately eliminate the price band system on U.S. imports.
- Colombia will immediately eliminate tariffs on whey.
- Both Colombia and the United States will establish duty-free TRQs for certain dairy products totaling 9,900 tons, with these TRQs growing by 10 percent, compounded annually.
- All Colombian duties on dairy products will be eliminated within 15 years, with duties on some eliminated earlier.
- *The National Milk Producers Federation, U.S. Dairy Export Council, Grocery Manufacturers Association/Food Products Association, and International Dairy Foods Association publicly support the CTPA.*

Apples. In 2007, the United States exported \$3.9 million worth of apples to Colombia. Virginia's apple producers, with farm cash receipts of over \$22 million, will benefit from the CTPA.

- Colombia currently charges 15-percent duties on U.S. apples, and could raise these duties to 20 percent under WTO rules.
- Colombia will immediately eliminate duties on fresh apples.
- *The U.S. Apple Association publicly supports the CTPA.*